

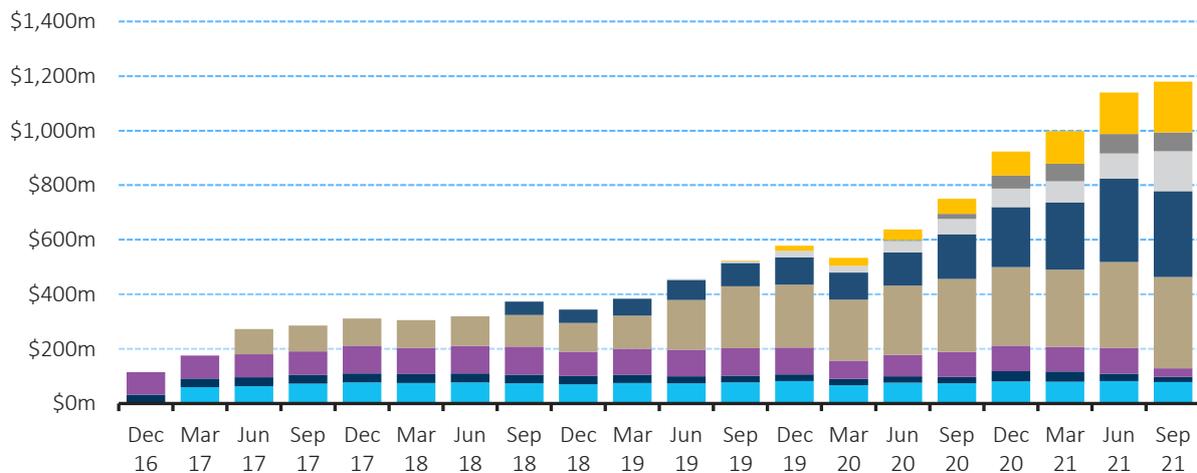
Friday, 29 October 2021

Quarterly activity report – for the quarter ended 30 September 2021

FUM Update

Contango Asset Management Limited (ASX:CGA) (**Contango** or the **Company**) is pleased to announce that its total Funds Under Management (**FUM**) was \$1.18 billion as at 30 September 2021¹. FUM has grown further to \$1.20 billion at 28 October 2021.

A combination of strong net inflows and positive investment performance led to an overall uplift in FUM of \$39 million over the quarter ended 30 September 2021. The chart below illustrates the growth in FUM from 31 December 2016 to 30 September 2021:



NB: Excludes Contango Microcap management rights reassigned in October 2017.



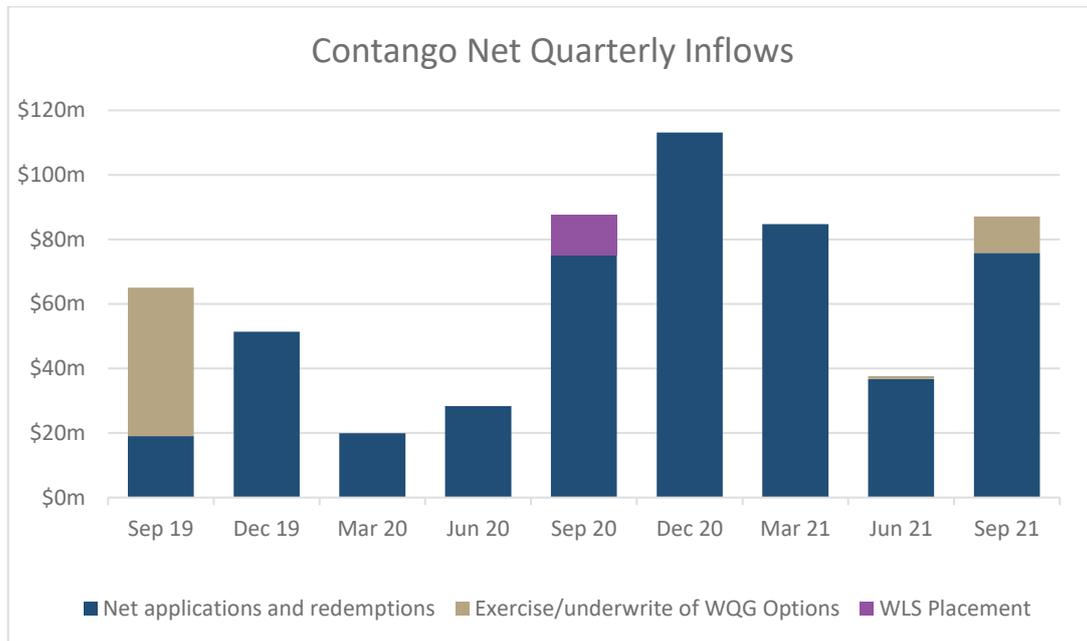
The increase in FUM during the September 2021 quarter was achieved notwithstanding:

1. the selective buy-back of shares in WCM Global Long Short Limited (previously Contango Income Generator Limited) of \$68 million in July 2021; and
2. the payment of cash distributions and dividends to fund and listed investment company investors (net of distribution and dividend reinvestment) of \$26 million.

Excluding the share buy-back and the distributions and dividends referred to above, Contango's FUM increased by \$133 million during the September 2021 quarter, representing an increase of 11.6%.

¹ All FUM and flow information is approximate, rounded, and has not been audited. FUM information is provided by CGA's appointed custodian NAB Asset Servicing.

The chart below illustrates the continued strength of Contango's quarterly net FUM inflows.



NB: Excludes WCM Global Long Short Limited selective buy-back in July 2021. Excludes payments and reinvestment of dividends and distributions.

The further increase in FUM since 30 September 2021 to \$1.20 billion at 28 October 2021 is primarily due to continued FUM inflows in October 2021.

WCM Strategies Perform Well Over the June 2021 Quarter

The WCM Investment Management (**WCM**) large cap, small cap and long short strategies all outperformed their respective benchmarks for the quarter ended 30 September 2021.

WCM's large cap strategy, the WCM Quality Global Growth Equity Strategy Composite, delivered a return of 4.8% over the quarter, outperforming its benchmark by 1.8%. The WCM International Small Cap Growth Strategy Composite delivered a return of 9.8% over the same period, outperforming its benchmark by 5.8%, and the WCM Quality Global Growth Long Short Strategy Composite delivered a return of 13.0%, outperforming its benchmark by 10.1%.

WCM is a top quartile global and international equities specialist with total FUM of over A\$138 billion².

Based in Laguna Beach, California, WCM's investment process is based on the belief that corporate culture is the biggest influence on a company's ability to grow its competitive advantage or 'moat'. This investment process has resulted in the WCM Quality Global Growth Equity Strategy Composite outperforming the MSCI All Country World Index by 6.2% per annum over more than a decade.

Contango has an exclusive retail distribution arrangement to distribute WCM's strategies in Australia.

² As at 30 September 2021 in AUD.

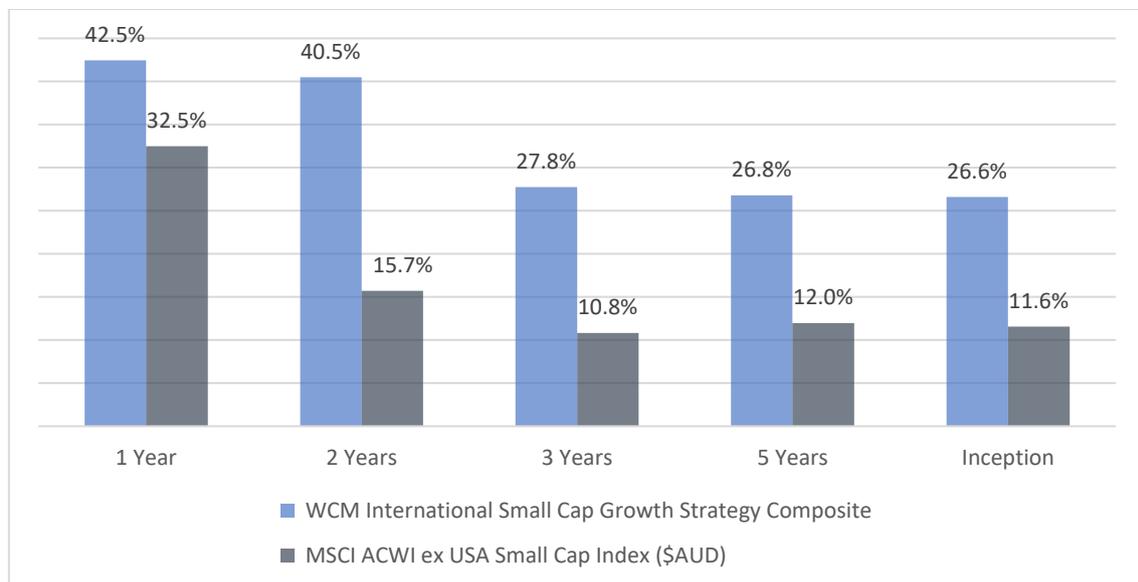
Large Cap Track Record

Returns of the WCM Quality Global Growth Equity Strategy Composite³ versus its benchmark are shown below:



Small Cap Track Record

Returns of the WCM International Small Cap Growth Strategy Composite⁴ versus its benchmark are shown below:

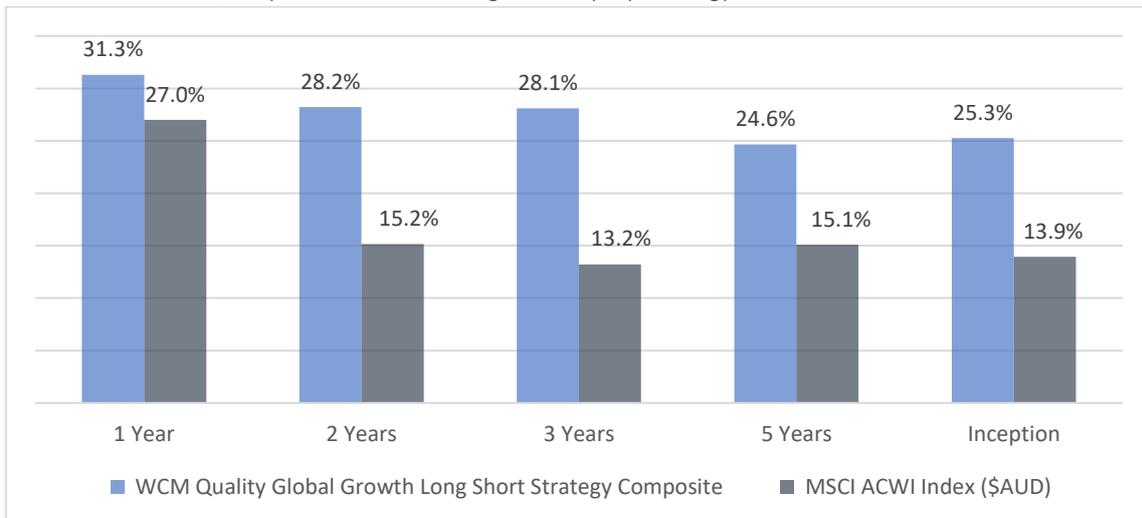


Long Short Track Record

³ Data as at 30 September 2021 in AUD. Performance presented is net of fees and includes the reinvestment of all dividends and income. Returns for periods of more than one year are annualised. Past performance is not indicative of future results. Inception date of the WCM Quality Global Growth Equity Strategy Composite is 31 March 2008. The WCM Quality Global Growth Equity Strategy (ex-Australia) is accessible to Australian retail investors via a choice of three investment products: a listed investment company, an exchange-traded managed fund and an unlisted managed fund which offers both unhedged and hedged units.

⁴ Data as at 30 September 2021 in AUD. Performance presented is net of fees and includes the reinvestment of all dividends and income. Returns for periods of more than one year are annualised. Past performance is not indicative of future results. Inception date of the WCM International Small Cap Growth Strategy Composite is 31 December 2014. The WCM International Small Cap Growth Strategy is accessible to Australian wholesale investors through the WCM International Small Cap Growth Fund (Managed Fund) which is an unlisted managed fund.

Returns of the WCM Quality Global Growth Long Short Equity Strategy⁵ versus its benchmark are shown below:



WCM Global Growth Limited (ASX:WQG)

On 19 August 2021, the Board of WQG announced that it had further enhanced WQG's dividend policy with the introduction of progressive dividend payments. This new dividend policy commenced with the payment of an increased final dividend of 2.5 cents per share fully franked at a corporate tax rate of 30%. The Board also announced its intention to increase further the Company's dividends over the next 12 months.

The WQG Dividend Reinvestment Plan was in operation for the final dividend with a strong participation rate of 24.3%, being one of the highest for a global listed investment company.

Approximately 7.5 million of WQG's Options were exercised during the September 2021 quarter at a price of \$1.50 per option, raising additional capital of \$11.2 million. There were approximately 50.3 million Options remaining on issue as at 30 September 2021. These options can be exercised at any time up to and including 31 August 2022.

WCM International Small Cap Growth Fund (Managed Fund)

A particular area of focus for Contango during the September 2021 quarter was to grow WCM International Small Cap Growth Fund (Managed Fund) (**WCMS**). WCMS experienced strong net inflows during the quarter and investors have been rewarded with exceptional investment performance from the WCM International Small Cap Growth Strategy Composite on which the fund is based.

WCM Global Long Short Limited (ASX:WLS) (formerly Contango Income Generator Limited (ASX:CIE))

At an Extraordinary General Meeting of Contango Income Generator Limited (**CIE**) held on 14 July 2021, CIE shareholders approved a resolution to undertake a selective buy-back of shares and approved a change of name to WCM Global Long Short Limited (**WLS**).

With the adoption of the new name and strategy, Contango is now working with the Board of WLS on several initiatives to market the WCM long short strategy more prominently, enhance shareholder value and grow WLS.

⁵ Data as at 30 September 2021 in AUD. Performance presented is net of fees and includes the reinvestment of all dividends and income. Returns for periods of more than one year are annualised. Past performance is not indicative of future results. Inception date of the WCM Quality Global Long Short Equity Strategy Composite is 30 June 2014. The WCM Quality Global Long Short Equity Strategy is accessible to Australian investors through WCM Global Long Sort Limited (ASX:WLS) which is a listed investment company.

Switzer Dividend Growth Fund (Quoted Managed Fund) (ASX:SWTZ)

Over the quarter, the Switzer Dividend growth Fund (SWTZ) delivered a return of 2.9% net of fees, outperforming the 1.7% return for the benchmark ASX 200 Accumulation Index. Since April 2021, SWTZ has been managed by Blackmore Capital Pty Limited and the new arrangement is working well.

Switzer Higher Yield Fund (Managed Fund) (CHI:SHYF)

The Switzer Higher Yield Fund (Managed Fund) has been managed by Coolabah Capital Institutional Investments since December 2020. The return of the fund during the quarter of 0.16% net of fees was slightly below its benchmark of 0.38%, reflecting the difficult conditions in the fixed income securities market.

Cash Position

Contango's cash inflows remained strong during the quarter, assisted by an increase in management fees on the Company's higher FUM base. Receipts from customers (fee income from our Funds) totalled \$1.9 million in the September 2021 quarter. This was a slight increase on the receipts in the June 2021 quarter.

Over the same period, operating costs were well controlled, although a number of larger annual outlays occur in the first quarter of the financial year. These included the financial year-end reporting, audit and accounting costs of the group entities. Several semi-annual costs, including ASX listing fees and software licences (included in administration & and corporate costs), are also incurred in this quarter. In addition, payments this quarter included the final staff restructuring and recruitment costs for the completion of the Group's strategic transition from a product manufacturer to a distributor. These costs of approximately \$0.36 million (included in staff costs and administration & corporate costs) were expensed in the FY2021 results previously announced and were paid in the September 2021 quarter.

Contango has a receivable relating to the assignment of an investment mandate to NAOS Asset Management Limited. A total amount of \$1.7 million remains payable to the Company in relation to this transaction, with the final instalment due in June 2022.

The Company's cash balance was \$4.8 million as at 30 September 2021. The Company's cash and the above receivable totalled \$6.5 million, and it had debt of \$1.25 million as at 30 September 2021.

Contango's strong financial position provides it with the capacity to continue to execute its growth strategy successfully and achieve further FUM growth.

Payments to Related Parties of the Entity and Their Associates

The Company has an existing marketing and distribution agreement with Switzer Financial Group Pty Ltd and paid \$55,000 for this service during the period. In addition, the Company made total payments of \$171,242 for Directors' fees and the Managing Director's salary.

Yours faithfully,



Marty Switzer
CEO and Managing Director
Contango Asset Management Limited
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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Contango Asset Management Limited and Controlled Entities

ABN

56 080 277 998

Quarter ended ("current quarter")

30/09/2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customer	1,905	1,905
1.2 Payments for		
(a) operating costs	(601)	(601)
(b) advertising and marketing	(21)	(21)
(c) staff costs	(879)	(879)
(d) administration and corporate costs	(651)	(651)
(e) corporate activity	(123)	(123)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 GST paid on payment received from NAOS in June 2021	(166)	(166)
1.9 GST paid to ATO other	(246)	(246)
1.10 Net cash from / (used in) operating activities	(782)	(782)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets		
2.3	Cash flows from loans to other entities:		
	(a) repayment of loans from employees		
2.4	Dividends received (see note 3)		
2.5	Other – GST on item 2.2(f)		
2.6	Net cash from / (used in) investing activities		

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		-
3.2	Proceeds from issue of convertible debt securities		-
3.3	Proceeds from exercise of options	104	104
3.4	Transaction costs related to issues of equity securities or convertible debt securities		-
3.5	Proceeds from borrowings		-
3.6	Repayment of borrowings		-
3.7	Transaction costs related to loans and borrowings		-
3.8	Dividends paid		-
3.9	Other (provide details if material)		-
3.10	Net cash from / (used in) financing activities	104	104

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,525	5,525
4.2	Net cash from / (used in) operating activities (item 1.10 above)	(782)	(782)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	104	104
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	4,846	4,846

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,846	5,525
5.2	Call deposits		-
5.3	Bank overdrafts		-
5.4	Other (provide details)		-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,846	5,525

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

171

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Includes payment of Directors' fees, MD salary and other related parties.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	1,252	1,252
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	1,252	1,252

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Company has an unsecured loan facility of \$750,000 with an unrelated private family trust. The loan is for 3 years expiring on 6 December 2022, with an interest rate of 8% per annum and does not have loan covenant requirements. The Company has an additional unsecured loan facility of \$502,000 with an unrelated private family trust. The loan is for 10 years expiring on 28 August 2028 with an interest rate of 8% per annum and does not have loan covenant requirements.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.10)	(782)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	4,846
8.3 Unused finance facilities available at quarter end (Item 7.5)	
8.4 Total available funding (Item 8.2 + Item 8.3)	4,846
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	6

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021



Marty Switzer (CEO and Managing Director)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.